



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, DC 20701

FEB - 3 2004

The Honorable Gary Locke  
Governor of Washington  
Olympia, WA 98504-0002

Dear Governor Locke:

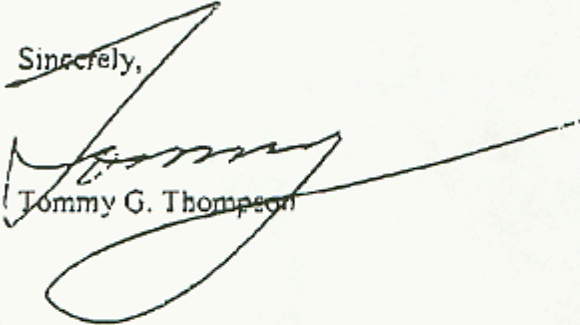
I am pleased to inform you that I have approved your Medicaid section 1115 demonstration application that will permit the State of Washington to impose premiums on children with family incomes above 100 percent of the Federal poverty level. I had wanted to personally inform you of this good news on Friday, January 30, but was unable to reach you by telephone.

Your State Department of Health and Social Services will receive a detailed approval letter shortly from the Centers for Medicare & Medicaid Services. That letter will contain the necessary waivers, terms, and conditions.

This demonstration project should permit Washington to demonstrate how the imposition of premiums could be a useful method for making Medicaid coverage more affordable. In addition, the Department expects to learn through a formal demonstration evaluation what impact premiums may have on the Washington Medicaid program participation rates, and whether the imposition of premiums is a reasonable alternative to a State reducing coverage of an entire optional group.

Congratulations again on your award.

Sincerely,

  
Tommy G. Thompson